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C. V. A. BULLETIN

Issued from the Offices of

California Vineyardists Association

F R E S N O

... The Service Organization of the Grape Industry ...

SAN FRANCISCO

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No. 3

Following the completion of the membership campaign of the California Deciduous Fruit Association, the name of this Bulletin will be changed and future numbers will be issued jointly by the California Vineyardists Association and the California Deciduous Fruit Association. Application has been made to change the name of the California Deciduous Fruit Association to the "Associated California Fruit Industries, Inc."—Editor.

Some Things to Think About

Better Distribution. Ship or sell **only** to Clearing House members. Why? Because those are the shippers who are willing to work together to improve distribution,—to better conditions for the grower. Increased prices depend upon the growers working together to make sure that the shippers who work together receive their patronage. The revised list of Clearing House members will be available the last week of April. A special Clearing House Bulletin will be sent to all growers, bankers, and commercial institutions. Be sure your shipper is a member before you contract or sell your crop.

Quality and Pack. Be careful this year. We only mislead ourselves and others by sending poor quality into the markets and we charge ourselves back with picking and packing charges. Don't let anyone advise, "Take a chance and ship it anyway." This is poor business for the grower, shipper, receiver and consumer. Poor quality breaks down confidence in our product.

More Markets—Greater Consumption. How does industry place its products on the markets of the world? Do the automobile manufacturers, gasoline, cement and lumber producers indiscriminately put their commodities in freight cars and head them in the direction of a market? First they prepare the way—they stimulate a demand on the part of the consumer. By trade expansion and advertising they make the buyer want their goods. We give away 5 cents and 10 cents per package over night when we glut our markets. Why not spend a penny a package on advertising to assure that demand will absorb our products at steady, profitable prices? Fifteen years ago many thought we were over-producing oranges. Now we grow many times the volume and the returns to the producer are better than ever. The answer is found in advertising. Over a million dollars each year to promote 200,000 acres of citrus fruits—hardly a penny for 1,200,000 acres of grapes and tree fruits. The relative results are well known.

Confidence Must Precede Credit. Further arrangements are necessary. The Association is seeking to develop some plan which will not require a grower to tie up his crop at a low price because of a temporary need just before harvest. But this, too, depends upon the confidence of financial agencies in our ability to obtain better distribution—and quality.

Total Supply Fixes the Price. Our organizations were not conceived to devote their energies to the fresh markets alone, and ignore all other channels into which the grower may market his crops. We are interested in the **entire** return to our membership, regardless as to whether the crops go into fresh, dried, or juice consumption. Total world supply versus demand fixes the price return to the producer. This is true whether we sell for cash, consign, or ship on our own account. No one theory of distribution can escape the unalterable law of "supply and demand." Cooperation between our distribution agencies along sound economic lines applied to each channel of consumption represents our most important objective.

DONALD D. CONN.

THE OFFICIAL PUBLICATION OF THE CALIFORNIA
VINEYARDISTS ASSOCIATION

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Report of Progress Submitted to the Public

This is available in printed form to all members. Write and ask for it. It outlines the plans for the future. Briefly, it shows:

(a) That the Association represents a new conception of cooperation in agriculture.

(b) A sound economic determination of our problem depends upon applying privileges of the law to competitive agencies of processing and distribution, under grower control.

(c) Grower membership represents 85% of the State's acreage.

(d) Each division, whether Clearing House, grape products, etc., is operated by the agencies themselves, under grower control.

(e) Trade expansion, advertising, governmental relations, standardization, etc., constitute general functions of the association in addition to its divisional activities.

(f) Annual dues of grower: \$1.00 per year. Fees for activities, 25c. per ton paid by the grower through the marketing agency. Marketing agency pays 50c. per car direct.

(g) The United States Department of Agriculture shows that grape growers received \$4,500,000 more for the 1927 crop than for 1926.

(h) The increase of raisin varieties on the vines was translated into the fresh market at an average of \$3.00 per ton more to the grower. Table grapes brought \$1.00 per ton more. Juice grapes the same (\$45.00).

Nine Months of Research Completed

What are the facts with reference to our industry? Summarized the report prepared by the Metropolitan Life Insurance Company, the University of California and the State Department of Agriculture is quoted in part as follows:

"The industry is hampered through the failure of many to realize that the well-being of each individual is inseparable from the well-being of the whole group. * * * Growers and shippers have

taken unfair advantage of other growers and shippers. * * * Such practices are shortsighted. * * * Since the whole industry suffers because of those who violate these fundamental rules of sound business, it is to the interest of everyone concerned to work toward the elimination of those who persistently refuse to pull together for the common good.

"Representatives of the California Vineyardists Association in leading markets during grape shipping season would help materially in coordinating the activities of distributing agencies with changing market conditions. * * * The New York City trading area, containing 8.1% of the total population of the United States, took over 25% of all grape shipments in 1927, * * * 12.7% of the total peach shipments, while at the same time grape unloads in a comparatively few other large cities amounted to 67.7% of the total shipments. Peach unloads in 36 leading cities in 1925 constituted 46.7%. Such concentration in the larger markets reacts unfavorably on price levels for all grapes, since prices are largely established in the large auction markets. * * *

"Housewives prefer to buy grapes in small quantities—2 or 3 pounds at a time. * * *

"Grapes are consumed mostly between meals.

"34.8% of all housewives do not buy grapes at all or buy only occasionally. * * *

"Price ranges for Tokays in the New York auction markets on September 20th were from 75 cents to \$2.05. On September 27th from 50 cents to \$2.20, and on October 19th from \$1.15 to \$2.50. The low prices generally were due to poor quality. The high prices to good quality.

"* * * There appears a widespread failure on the part of growers to appreciate the relation of harvesting methods to the condition of the fruit in the market and the prices it brings. This is particularly true in the case of juice grapes. * * * The cost of careful picking and packing is more than offset by the increased price. * * * There is apparent a tendency on the part of the retail trade to favor the lug rather than the crate pack. * * * Brand labels are very generally used by shippers. Brand names, however, mean very little to retailers and next to nothing to consumers because they are not advertised.

"10% of the total juice grape acreage was non-bearing in 1927, while 4.9% of the table grape acreage were in young vines which were not producing.

"* * * Increased demand through advertising and better distribution methods should net growers a larger return than at present."

Settlement for the 1927 Crop

The Association desires to be of assistance to any grower or shipper whose returns for the 1927 crop have not been completed or are in dispute. Already 70 cases have been referred to the Bureau of Service and all have been adjudicated to the satisfaction of both parties. If there be cases where crops have been purchased under contract and are not paid for at this time, the Association should be notified of all details.

Grape Products Division

Twenty manufacturers now enrolled control 85% of the wine and 90% of the other grape products. A program of governmental relations is being established—research is being undertaken to develop markets and consumption.

The Present Economic Situation

In 1914 the total acreage of grapes and tree fruits equalled 638,522; in 1927 it was 1,263,864; estimated for 1930 is 1,407,700. This would be an increase of 120% in 1930 over 1914. What are we going to do about it? Answer: Coordinated distribution—market expansion, and advertising.

Summary of Recommendations of the Research Report

- (1) Expand consumption and market demand rather than liquidate excepting as to vineyards producing low volume per acre.
- (2) A consistent National advertising and publicity program.
- (3) Maintain representatives in the leading auction markets during the season.
- (4) Curtailment of shipments should be made on the basis of table and juice classifications.
- (5) Standardization of quality rather than arbitrary percentage of volume should be used as a basis of curtailment.
- (6) Activities of the Clearing House Division should be extended beyond the present requirements of the Clearing House contract.
- (7) Harvesting labor should be paid on a "time" or combination "time and piece" basis.
- (8) A more general use of lug pack for table grapes is recommended.
- (9) Shippers should educate their receivers as to the advantages of this container (lug).
- (10) One size container for table grapes and one size for juice grapes should be adopted by the association and its membership.
- (11) Growers should ship under the label of established shippers whose brand labels have a recognized standing in the East.
- (12) Universal use of the Federal State Inspection Service.
- (13) The establishment of a Board of Arbitration with neutral hearing of grievances and for the arbitration of disputes.
- (14) Establishment by packing agencies of a code of marketing relationships covering the manufacture and distribution of raisins.
- (15) Special attention to the development of grape products.

Advertising in Foreign Countries

Even the English dealers in fruits and vegetables are recognizing the value of advertising and the results of their \$1,000,000 campaign shows stimulation in return of \$25,000,000 in the fruit consumption of the British Isles.

Dried Fruit Relations

(From the Research Report)

"The grower of raisin varieties has the option of marketing his tonnage fresh or drying. Until the shipping season has begun he cannot know which procedure will return the most profit. An excessive, uncontrolled tendency either way has proved to have serious consequences. As a result, there is a belief on the part of many commercial and financial agencies that action should be taken looking toward a more intelligent adjustment of relations between the fresh and dried phases of the grape industry."

Uniform Contracts Recommended

Prior to May 1st the association will have available sample forms of contract which may be used by the growers and shippers in the 1928 season; however, because of the varied methods of sale and relationships between the shipper and grower it is not proposed that the association will recommend the substitution of the proposed forms for any contracts now in use and **which are acceptable and give due protection to both parties.** Any grower or shipper, however, may use the association form if they desire. In either event the association will render any advice with reference to contracts or sale of crops during the 1928 season to any grower upon request and free of charge.

Consolidated Clearing House Division Being Organized

C. E. Schultz has been assigned as manager of the Clearing House Division with headquarters at San Francisco. Clearing House committees will be established in 14 of the 17 districts this year and will work in conjunction with the advisors of the grower membership.

Because of the consolidation of the interests of the grapes with tree fruits the Clearing House work can be operated as an all-year-round department with a permanent policy and personnel. The Deciduous Clearing House Agreement is now in the hands of shippers for execution while the revised grape agreement will be mailed to shippers within the next two weeks.

General Manager Appointed

The Managing Director announces the association of J. H. Collins of Chicago, as vice-president and general manager of both Associations, in charge of the operation of all departments. Mr. Collins was born in the city of Fresno and spent many years of his life in the development of the functions of the United States Department of Agriculture. He is intimately associated with the grape and tree fruit problem and brings to our work a knowledge and intelligence greatly desired by the management.

Leo C. Monahan, associated with us as a representative of the United States Department of Commerce until April 1st, will become directly affiliated with the association as manager of grower and public relations.

H. A. Cadow is transferred to the position of Manager of the Bureau of Information and Research of the Grape Products Division.

A. J. Day of Washington, becomes assistant to the Managing Director.

H. W. Wrightson, Secretary, will be in charge of the Fresno office.

Functions of Research and Traffic

The Association has proposed to the directors of the California Grower's and Shipper's Protective League that the functions of the latter association be absorbed by the California Deciduous Fruit Association, effective April 1st. This means that railroad and research relations formerly conducted by the league will hereafter be discharged by the association. It is felt by your Management that with sufficiency of support from the growers on the small fee of 25c. per ton (less than one-third cent per lug) that the maintenance of a separate institution to carry on a service function with a separate and additional charge against the grower has now become unnecessary. Therefore, we hope to relieve the majority of growers who have contributed to the League of the expenses which have ranged from 50 cents to \$2.00 per car. The association has offered the position of manager of the Division of Traffic and Research of the Association to Mr. H. H. Remington, now general manager of the League.

Additional Refrigeration Equipment to be Available in 1928

The Pacific Fruit Express Company announces the placing of an order for 2,000 additional refrigerator cars to be ready for service by September 1st, 1928. It is stated that these additional cars will bring the total of this private car line ownership up to the figure of 40,300.

Announcement of Forthcoming Regular Meetings of Advisors

Listed below is a partial schedule of Advisor's meetings which will be held monthly throughout the entire year. Growers are requested to communicate all problems currently either direct to the management of the Association or to their local Advisor who will in turn present the matter for discussion at these regular meetings which will be attended by one or more representatives of the Association:

District No. 1.—Meetings: March 20th and May 8th; Advisors—A. E. Hoover, Woodland; F. F. Smith, Arbuckle; Stephen T. Riolo, Rt. 1, Box 150, Roseville; Samuel Ewell, Marysville; John K. Granacher, Yuba City.

District No. 2.—March 13th and May 1. Advisors—C. B. Forni, Calistoga; K. S. Cairns, St. Helena; Dr. T. H. Stice, Napa; Claus Mangels, Cordelia.

District No. 3.—March 21st and May 9th. Advisors—E. W. Lewis, Florin; W. H. Williamson, Mills; H. Markofer, Elk Grove; F. W. Staunton, Folsom; James Rusby, Elk Grove.

District No. 4.—March 22nd and May 10th. Advisors—Herman Wente, Livermore; A. Raucci, Pleasanton; U. Karrer, Brentwood.

District No. 5.—March 15th and May 3rd. Advisors—J. M. Salinger, Hopland; E. L. Cunningham, Ukiah; Fred Waugh, Rt. 1, Ukiah; John Finne, Calpella.

District No. 6.—March 14th and May 2nd. Advisors—Walter Sink, Cloverdale; Harvey Frost, Healdsburg; Louis Lehn, Windsor; J. Signorelli, Sonoma; C. E. Tayman, Healdsburg; E. Prati, Cloverdale.

District No. 8.—March 26th and May 14th. Advisors—Felix Costa, Lafayette and Union Streets, Stockton; A. L. Paddleford, 103 S. Rose Street, Lodi; O. L. Marrs, Lodi; L. K. Marshall, St. 1, Box 218, Lodi; B. A. Towne, Lodi; Oliver Ing, Acampo; C. R. Vanbuskirk, 525 W. Church Street, Lodi.

District No. 9.—March 27th and May 15th. Advisors—L. P. Larson, Escalon; Ed. Powers, Manteca; Enos Bechis, Oakdale; Chas. Sanders, Modesto; David F. Lane, Turlock; Curtis Lindley, Empire; L. W. Johnson, Patterson.

District No. 10.—March 28th and May 16th. Advisors—Elgin Evans, Box 148, Livingston; Dr. W. C. Cotton, Atwater; L. F. Arnold, Rt. 1, Box 97, Winton; L. R. Minturn, Merced.

District No. 11.—March 29th and May 17th. Advisors—J. A. Sanderson, Madera; Adolph Raushaupt, Madera; J. H. Holliday, Madera; F. R. Grimes, Chowchilla.

District No. 12.—March 30th and May 18th. Advisors—Clifford McElrath, Del Rey; C. Roy Whittington, Orange Cove; Lucius Powers, 480 Van Ness Avenue, Fresno; J. J. Eymann, Reedley; Lee Arrants, Box 235, Selma; H. K. Lathy, Rt. A, Box 393, Clovis; I. Tielman, Rt. K, Box 500, Fresno; W. C. Marshall, Rt. K, Box 409, Fresno; D. B. Harris, Kerman; Edwin Ross, Parlier; J. O. A. Johnson, Rt. F, Box 180, Fresno; Fred G. Anderson, Rt. A, Box 177, Kingsburg; F. C. Bonyman, Carruthers; S. L. Riddell, 1238 Gerger Avenue, Fresno; Reuben Reed, Firebaugh.

District No. 13.—April 3rd and May 21st. Advisors—R. J. Esrey, Lemoore; L. L. Johannsen, Lemoore; R. M. Blowers, Hanford; Myron Epler, Hanford; Ray Swanson, Hanford.

District No. 14.—April 4th and May 22nd. Advisors—C. D. Pruner, Exeter; O. K. Wright, Porterville; H. A. Collins, Orosi; Paul Driver, Dinuba; Frank Elliott, Orosi; Harold Waddell, Lindsay; Harry Mellon, Delano.

District No. 15.—April 5th and May 23rd. Advisors—J. B. Quick, Wasco; G. R. Buckingham, McFarland; Charles LaDow, Delano; F. W. Brewster, Rt. 4, Shafter; Gordon Ives, Arvin; H. K. Dickson, Bakersfield.

District No. 16.—April 6th and May 24th. Advisors—Benton Ballou, Ontario; Secundo Guasti, Guasti; George Johnston, Etiwanda; M. J. Kennedy, Wineville; Charles Latimer, Ontario; R. L. Nougaret, Fontana; H. H. Thomas, Cucamonga; L. A. Weller, Cucamonga; Nando Miglietta, Guasti; Rolland McKennett, Box 36, Cucamonga.